



**Independent Electrical
Contractors**

Independent Electrical Contractors

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October 2, 2017

The Honorable Virginia Foxx
Chairwoman, Committee on Education & the Workforce
United States House of Representatives
2176 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Robert C. "Bobby" Scott
Ranking Member, Committee on Education & the Workforce
United States House of Representatives
1201 Longworth House Office Building
Washington, D.C. 20515

Dear Chairwoman Foxx and Ranking Member Scott:

On behalf of the Independent Electrical Contractors (IEC), I would like to express our support for H.R. 3441, the Save Local Business Act. This bipartisan legislation rolls back the detrimental joint employer standard that was radically altered under the Obama administration's National Labor Relations Board (NLRB).

Based in Alexandria, Virginia, the Independent Electrical Contractors is an association of over 50 affiliates and training centers, representing over 2,300 electrical and systems contractors nationwide. IEC's membership consists of primarily of small businesses, with the average contractor member having around 30 employees, 20 of which are electricians. IEC's purpose is to establish a competitive environment for the merit shop – a philosophy that promotes free enterprise, open competition and economic opportunity for all. IEC and its training centers conduct apprenticeship training programs under standards approved by the U.S. Department of Labor's (DOL) Office of Apprenticeship. Collectively, in the 2017 school year, IEC will train more than 10,000 electrical apprentices.

IEC is deeply concerned about the NLRB's new joint employer standard and the impact it could have on the electrical contracting industry. The new standard presents a litany of potential problems and complications for doing business by making contractors potentially liable for individuals they do not even employ. Moving forward, almost any contractual relationship our members enter into may trigger a finding of joint employer status that would make them liable for the employment and labor actions of their subcontractors, vendors, suppliers and staffing firms. In addition, as we understand it, the new standard would also expose one company to another company's collective bargaining obligations and economic protest activity, to include strikes, boycotts, and picketing.

It's clear to see just how this broad and ambiguous new standard increases the cost of doing business. It makes it more difficult for companies to continue to do great work within the community and provide well-paying jobs to more electricians. It's unclear if our members could put language into any contracts that would insulate them from being considered a joint employer, nor do we know just how much their insurance costs will go up in an attempt to shield them from this increased liability. This new standard also prevents electrical contractors from working with certain start-ups or new small businesses that may have a limited track record, which will often be owned by minorities or women. With this new standard, they are now less likely to take on that risk.

In conclusion, IEC urges the Committee to approve H.R. 3441, in order to provide certainty to the joint employer standard.

Sincerely,

Jason E. Todd
Vice President, Government Affairs
Independent Electrical Contractors

Cc: The Honorable Bradley Byrne
The Honorable Tim Walberg
Members of the Committee on Education & the Workforce